

# **AMENDMENT AND RATIFICATION OF OIL AND GAS LEASE**

THIS AGREEMENT, made the 23<sup>rd</sup> day June, 2010, by and between **Fredrick S. Hazlett of Rd. 3 Box 140 Wheeling, WV 26003, ("Lessor")**, and **NISOURCE Energy Ventures and Columbia Gas Transmission, each a Delaware Limited Liability Company** (collectively "**Lessee**").

**WHEREAS**, Lessor is the owner of a certain tract or parcel of land in **Sand Hill** District, **Marshall** County, **West Virginia**, containing **256** acres, more or less, ("**Leased Premises**") which is subject to that certain oil and gas lease, dated **February 5, 1960**, from **Benton Hazlett and Olive Hazlett**, to **Manufacturers Light and Heat Company** and recorded in the Recorder of Deeds office of **Marshall**, County in book **342**, page **19**, including any amendments and ratifications thereto, being Lessee lease number **3024758** ("**Lease**");

**WHEREAS**, Lessee owns or controls the oil and gas under the Lease which Lease is held by production and/or storage; and

**WHEREAS**, Lessor and Lessee desire to amend the Lease to allow for pooling in order to permit additional wells, conform to well spacing, productive acreage or density patterns determined by governmental authorities or Lessee or for cooperative development of or effective and efficient oil and gas operations on the Leased Premises.

**NOW THEREFORE**, for and in consideration of the sum of \$1.00 paid to the Lessor by the Lessee, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained, Lessor and Lessee, intending to be legally bound, agree as follows:

The Lease is amended to include the following provision:

1. **POOLING.** Lessor grants Lessee the right but not the obligation to pool, unitize or combine into separate drilling or production unit(s) or pool(s), the Leased Premises or any part thereof with other lands, leases, pool(s), unit(s) or interests, whether before or after drilling or whether contiguous held by Lessee or others when in Lessee's judgment it is necessary or advisable to create such pools/units. Subject to any other contractual limitations, any such pool shall not exceed 1280 acres, provided however, that larger pools may be created to conform to any well spacing or unit pattern prescribed by any governmental authority or to meet industry standards. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise in any manner and at any time the size, shape, or conditions of operation of any pool(s)/unit(s) formed by expansion or contraction or both, including the drilling of multiple wells or legs within said pool/unit. Said pooling rights may be exercised as to any one or more depths or formations, through any type of wells, or combination of any drilling or recovery techniques whether now known or developed in the future. Lessee may create contiguous pools/units which pools/units utilize the same surface pads and facilities. Within a reasonable time after the creation or revision of pools/units hereunder by Lessee, Lessee shall file of record a written declaration describing the pool/unit or revised pool/unit, and stating the effective date of creation or revision of the pool/unit.

Any operations, production, drilling, reworking anywhere on a pool/unit that includes all or any part of the Leased Premises shall be treated for all purposes of the Lease (except for the determination of production for the calculation any royalties to be paid to Lessor and of free gas) as if said activities were conducted on or well(s) or legs were located on the Leased Premises whether or not the above activities, well(s) or legs were on the Leased Premises.

If Lessee exercises its pooling rights, then production for calculating Lessor's royalty, including shut-in royalty under the Lease shall be adjusted based on any method determined by Lessee in good faith, including without limitation utilizing the proportion that the Leased Premises acreage in the pool/unit bears to the total acreage in the pool/unit. If any revisions occur to the pool/unit, to the extent any portion of the Leased Premises is included in or excluded from the pool/unit, the proportion of pool/unit production on which royalties are payable to Lessor shall thereafter be adjusted accordingly. Notwithstanding anything contained in the Lease to the contrary, when any portion of the Leased Premises are committed to a pool/unit, this Lease with respect to such portion of the Leased Premises shall be subject to the terms and conditions of the pool/unit order or declaration, including any formula prescribed therein for the allocation of production/royalty from a pool/unit.

Neither any pooling nor provisions hereof shall operate as a transfer to title of any interest in the Leased Premises.

At any time the pool is not being operated as aforesaid, the declaration of pooling may be surrendered and canceled of record. Such cancellation or surrender shall not cause a surrender or cancellation of this Lease.

2. **RATIFICATION.** Except as otherwise expressly amended by this Amendment, Lessor acknowledges and agrees that the Lease and all terms and provisions therein are in full force and effect and the Lease, as amended hereby, is ratified, approved and confirmed in all respects, including but not limited to all actions and payments made by Lessee.

3. **SUCCESSORS AND ASSIGNS.** The terms, conditions, limitations and covenants of the Lease and this Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, sublessees, successors and assigns.

4. **SEVERABILITY.** In the event any term or provision of this Amendment shall be declared invalid, void or unenforceable it shall not affect the validity of any other term or provision hereof, all of which shall remain valid, binding and enforceable.
5. **AMENDMENTS.** No amendment or waiver of any provisions of this Amendment shall be effective unless in writing and signed by the parties hereto.
6. **ENTIRE AGREEMENT.** This Amendment contains the entire agreement of the parties with respect to the matters contained herein and all prior agreements and understandings of any kind or nature relative to this Amendment are hereby superseded.
7. **RECITALS.** The recitals to this Amendment are incorporated herein and, by this reference, made a substantive part hereof.
8. **EFFECTIVE DATE** - Notwithstanding anything to the contrary herein contained it is agreed that the effective date of this Amendment shall be June 23<sup>rd</sup>, 2010.

Witness the following signatures and seals the day and year first above written

Witness:

[Signature]

Lessor

Frederick S. Hazlett (SEAL)

\_\_\_\_\_ (SEAL)

Witness:

[Signature]

Lessee

NISOURCE Energy Ventures, LLC

By: [Signature]

Its: \_\_\_\_\_

Witness:

[Signature]

Lessee

Columbia Gas Transmission, LLC.

By: [Signature]

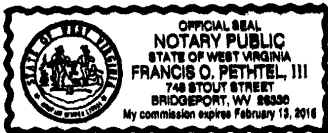
Its: \_\_\_\_\_

STATE OF West Virginia  
COUNTY OF Marshall

On this, the 23<sup>rd</sup> day of June, 2010 before me, Francis O. Pethtel III, the undersigned officer, personally appeared Frederick S. Hazlett, known to me to be the person(s) who executed the within Amendment and Ratification of Oil and Gas Lease and acknowledged to me that they executed the same for the purposes therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Francis O. Pethtel III  
Notary Public

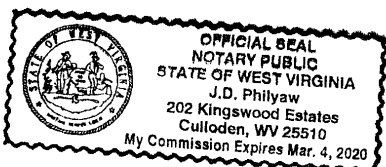


STATE OF West Virginia  
COUNTY OF Kanawha

On this, the 12 day of January, 2011 before me, J.D. Philyaw, the undersigned officer, personally appeared Sherebanks D. [Signature] Director of Aslet Mgt., a \_\_\_\_\_, and that he/she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Director by him/herself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

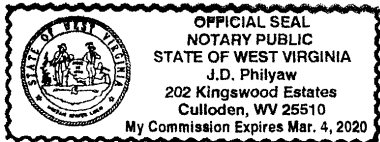
[Signature]  
Notary Public



BOOK 0723 PAGE 0254  
STATE OF West Virginia  
COUNTY OF Kanawha

On this, the 12 day of January, 2011 before me, J.D. Philyaw, the undersigned officer, personally appeared Sharon Parks Downes Director of Asset Mgt, a \_\_\_\_\_, and that he/she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Director by him/herself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



J.D. Philyaw  
Notary Public

This Document Prepared by:  
Columbia Gas Transmission, LLC  
NISOURCE Energy Ventures, LLC

Jan Pest  
MARSHALL County 10:06:18 AM  
Instrument No 1299884  
Date Recorded 02/11/2011  
Document Type O&G  
Pages Recorded 3  
Book-Page 723-252  
Recording Fee \$5.00  
Additional \$6.00

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST, Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the 23rd day of June, 2010, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this 17th day of February, 2011 at 10:06 o'clock A.M.

TESTE: Jan Pest Clerk.